

December 20, 2001 By Hand

Mary L. Cottrell, Secretary Department of Telecommunications and Energy One South Station, 2<sup>nd</sup> Floor Boston, MA 02110

Re: Massachusetts Electric Company and Nantucket Electric Company, Docket No. D.T.E. 01-102

Dear Secretary Cottrell,

Enclosed please find Massachusetts Electric Company's revised response to the Department's first set of data requests in the above captioned proceeding.

Thank you for your time and attention to this matter.

Very truly yours,

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Amy G. Rabinowitz

Attorney for

Massachusetts Electric Company and

Nantucket Electric Company

cc: Joseph Rogers

Massachusetts Electric Company Nantucket Electric Company Docket No. D.T.E. 01-102 Response to First Set of DTE Data Requests

#### DTE 1-1, Revised

## Request:

Please provide a month by month breakdown of fuel index costs, standard offer service sales, SOSFA revenues, under or over recovery of fuel index costs and the overall balance from the time the Company first received fuel index costs through the time the Company forecast that the overall standard offer fuel service balance will be zero.

## Response:

The Company is only attaching to this revised response a revised Page 1 of 8. The remaining pages are the same as those that were submitted by the Company in its original December 18, 2001 response to the Department's data request.

Please refer to the attachment to this response for the breakdown of:

- estimated standard offer revenue related to the Company's SOSFA surcharge (Column (b));
- standard offer expense related to fuel index adjustment payments (Column (c));
- the monthly over and under recovery of fuel index costs (Column (d)); and
- the interest related to the fuel index monthly over and under recovery (Column (h)).

Since the Company does not bill out its SOSFA separately from its base standard offer rate nor its standard offer adjustment factor (all three are added together to arrive at one effective standard offer rate), the revenue attributable to the SOSFA surcharge is derived by taking the standard offer kWh deliveries in a billing month applied to the currently effective SOSFA.

The under recovery of fuel index costs shown on Line 15 is currently being recovered by the Company in its 2001 standard service adjustment factor. Therefore, for purposes of this analysis, the beginning balance in October 2000 is set at zero and a new accumulation of fuel index under and over recoveries is begun. The revised response shows that beginning in October 2000 through September 2001, the fuel index under recovery is approximately \$128 million. By December 2001, the Company estimates this balance will drop to approximately \$98 million. By March 2002 this under recovery is estimated to drop to approximately \$49 million; and finally by

#### DTE 1-1, Revised (continued)

Massachusetts Electric Company Nantucket Electric Company Docket No. D.T.E. 01-102 Response to First Set of DTE Data Requests

the end of June 2002, the Company estimates the under recovered balance to drop to approximately \$83,000. Based upon this progression of under recovered balance, it appears that the Company's prior SOSFA surcharges and proposed SOSFA surcharge beginning in January 2002 should provide enough revenue to recover fuel index costs that the Company has incurred to date and estimates will be incurred through June 2002.

Prepared by or under the supervision of: Theresa M. Burns

20-Dec-2001

Massachusetts Electric Company Nantucket Electric Company M.D.T.E. No. 01-102 DTE 1-1, Revised Page 1 of 8, Revised

# Massachusetts Electric Company Standard Service Reconciliation October 1999 - June 2002

Section	Month n 1: Actual	Over/(Under) Beginning Balance (a)	SOSFA Standard Service Revenue (b)	Fuel Index Standard Service Expense (c)	Fuel Index Standard Service Over/(Under) (d)	Over/(Under) Ending Balance (e)	Balance Subject to Interest (f)	Interest Rate (g)	Interest (h)	Cumulative <u>Interest</u> (i)
1 0+1000 60 60 60 60 60 60 60 60 60 60										
1 2	Oct-1999 Nov-1999	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	5.13% 5.13%	\$0 \$0	\$0 \$0
3	Dec-1999	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0	\$0 \$0	5.13%	\$0	\$0 \$0
4	Jan-2000	\$0	\$0	\$0	\$0	\$0	\$0	5.43%	\$0	\$0
5	Feb-2000	\$0	\$0	\$0	\$0	\$0	\$0	5.43%	\$0	\$0
6	Mar-2000	\$0	\$0	\$0	\$0	\$0	\$0	5.43%	\$0	\$0
7	Apr-2000	\$0	\$0	\$1,080,609	(\$1,080,609)	(\$1,080,609)	(\$540,305)	5.43%	(\$2,386)	(\$2,386)
8	May-2000	(\$1,082,995)	\$0	\$2,888,682	(\$2,888,682)	(\$3,971,677)	(\$2,527,336)	5.43%	(\$11,161)	(\$13,547)
9	Jun-2000	(\$3,982,838)	\$0	\$5,312,926	(\$5,312,926)	(\$9,295,764)	(\$6,639,301)	5.43%	(\$29,320)	(\$42,867)
10	Jul-2000	(\$9,325,084)	\$0	\$7,985,110	(\$7,985,110)	(\$17,310,194)	(\$13,317,639)	5.43%	(\$58,813)	(\$101,680)
11 12	Aug-2000 Sep-2000	(\$17,369,007)	\$0 \$0	\$10,030,339	(\$10,030,339)	(\$27,399,346)	(\$22,384,176)	5.43% 5.43%	(\$98,852)	(\$200,532) (\$345,765)
13	Oct-2000	(\$27,498,198) (\$38,420,761)	\$0 \$0	\$10,777,330	(\$10,777,330) \$0	(\$38,275,528) (\$38,420,761)	(\$32,886,863) (\$38,420,761)	5.43%	(\$145,233) (\$169,672)	(\$345,765) (\$515,436)
	001 2000	(\$30,120,701)	40		40	(030,120,701)	(\$30,120,701)	5.1570	(410),0/2)	(4515,150)
14			\$0	\$38,074,996	(\$38,074,996)					
15		Over/(Under) Colle October 1, 1999 th				(\$38,590,432)				
16	Oct-2000	\$0	\$0	\$12,972,901	(\$12,972,901)	(\$12,972,901)	(\$6,486,451)	5.43%	(\$28,645)	(\$28,645)
17	Nov-2000	(\$13,001,546)	\$0 \$0	\$15,508,888	(\$15,508,888)	(\$28,510,434)	(\$20,755,990)	5.43%	(\$91,661)	(\$120,307)
18	Dec-2000	(\$28,602,096)	\$0	\$21,166,793	(\$21,166,793)	(\$49,768,889)	(\$39,185,492)	5.43%	(\$173,049)	(\$293,355)
19	Jan-2001	(\$49,941,938)	\$9,557,103	\$28,718,633	(\$19,161,529)	(\$69,103,467)	(\$59,522,702)	6.26%	(\$301,942)	(\$595,297)
20	Feb-2001	(\$69,405,409)	\$17,492,830	\$28,559,494	(\$11,066,664)	(\$80,472,073)	(\$74,938,741)	6.26%	(\$380,143)	(\$975,440)
21	Mar-2001	(\$80,852,216)	\$17,364,031	\$32,880,668	(\$15,516,637)	(\$96,368,854)	(\$88,610,535)	6.26%	(\$449,496)	
22	Apr-2001	(\$96,818,350)	\$15,962,102	\$30,141,973	(\$14,179,871)	(\$110,998,221)	(\$103,908,286)	6.26%	(\$527,097)	
23	May-2001	(\$111,525,318)	\$14,808,820	\$31,834,523	(\$17,025,704)	(\$128,551,022)	(\$120,038,170)	6.26%		(\$2,560,953)
24 25	Jun-2001 Jul-2001	(\$129,159,942) (\$148,377,747)	\$15,669,966 \$25,666,372	\$34,185,617	(\$18,515,651)	(\$147,675,593)	(\$138,417,767)	6.26% 6.26%	(\$702,154) (\$768,344)	
26	Aug-2001	(\$148,377,747)	\$34,098,667	\$31,842,739 \$33,167,564	(\$6,176,367) \$931,104	(\$154,554,114) (\$154,391,355)	(\$151,465,931) (\$154,856,906)	6.26%	(\$785,545)	
27	Sep-2001	(\$155,176,900)	\$34,148,277	\$23,666,276	\$10,482,002	(\$144,694,898)	(\$149,935,899)	6.26%	(\$760,582)	
28	Oct-2001	(\$145,455,481)	\$17,699,408	,,	\$17,699,408	(\$127,756,072)	(\$136,605,776)	6.26%		(\$6,270,542)
29			\$202,467,576	\$324,646,069	(\$122,178,493)					
30		Over/(Under) Colle October 1, 2000 th				(\$128,449,035)				
Section 2: Projected										
	•	•								
31	Oct-2001	(\$128,449,035)	\$11,625,996	\$20,701,677	(\$9,075,681)	(\$137,524,716)	(\$132,986,876)	6.26%	(\$674,605)	
32	Nov-2001	(\$138,199,321)	\$29,907,350	\$18,256,520	\$11,650,830	(\$126,548,491)	(\$132,373,906)	6.26%	(\$671,495)	
33 34	Dec-2001 Jan-2002	(\$127,219,986)	\$32,742,547	\$16,209,721	\$16,532,826	(\$110,687,160)	(\$118,953,573)	6.26% 6.26%	(\$603,418)	
34	Jan-2002	(\$111,290,578)	\$13,896,887		\$13,896,887	(\$97,393,691)	(\$100,356,524)	0.20%	(\$254,540)	(\$8,474,000)
			\$88,172,780	\$55,167,919	\$33,004,862					
35 Cumulative Over/(Under) Collection of Fuel Index Payments October 1, 2000 through December 31, 2001 (\$97,648,232)										
36	Jan-2002	(\$97,648,232)	\$13,896,887	\$5,925,665	\$7,971,222	(\$89,677,009)	(\$100,356,524)	6.26%	(\$254,540)	(\$8,729,140)
37	Feb-2002	(\$89,931,549)	\$18,337,396	\$2,428,983	\$15,908,414	(\$74,023,136)	(\$81,977,343)	6.26%		(\$9,144,988)
38	Mar-2002	(\$74,438,984)	\$18,015,822	\$593,945	\$17,421,877	(\$57,017,106)	(\$65,728,045)	6.26%		(\$9,478,408)
39	Apr-2002	(\$57,350,526)	\$8,249,584	44.44,	\$8,249,584	(\$49,100,943)	(\$49,100,943)	6.26%		(\$9,602,946)
			\$58,499,689	\$8,948,592	\$49,551,097					
40	40 Cumulative Over/(Under) Collection of Fuel Index Payments October 1, 2000 through March 31, 2002					(\$49,225,480)				
41	Apr-2002	(\$49,225,480)	\$8,249,584	\$0	\$8,249,584	(\$40,975,897)	(\$49,100,943)	6.26%	(\$124.539)	(\$9,727,483)
41	May-2002	(\$41,100,434)	\$15,711,705	\$0 \$0	\$15,711,705	(\$25,388,729)	(\$33,244,582)	6.26%		(\$9,896,124)
43	Jun-2002	(\$25,557,369)	\$16,579,595	\$0	\$16,579,595	(\$8,977,774)	(\$17,267,572)	6.26%		(\$9,983,717)
44	Jul-2002	(\$9,065,367)	\$9,005,356		\$9,005,356	(\$60,011)	(\$4,562,689)	6.26%		(\$10,006,862)
45			\$49,546,241	\$0	\$49,546,241					
46		Over/(Under) Colle October 1, 2000 th				(\$83,156)				

<sup>(</sup>a) (b) (c) (d) (e) (f)

Prior Month Column (j) + Prior Month Column (m) Page 2, Column (f) Page 4, Column (c) + Column (f) Column (b) - Column (c) + Column (d) + Column (a) + Column (d) |  $\div$  2; Jan-2002 and Mar-2002 have been set to mirror the interest calculation that would occur for a continuous reconciliation Interest Rate on Customer Deposits Column (f) x [ (1 + Column (g)) ^ (1  $\div$  12) - 1] Column (h) + Prior Month Column (i)

<sup>(</sup>g) (h) (i)